

# FAIR Act Inventory and Workforce Planning

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# Outline

- Describe FAIR Act Requirements
- Profile the DOE Inventory
- Discuss Potential FAIR Act Inventory Uses in Workforce Planning
- Give Examples of Findings from 2003 Inventory
- Provide Resources for Further Information

# FAIR Act Legislative History

**1997 : HR 716** (“Freedom From Government Competition Act of 1997”)

“To require that the Federal Government procure from the private sector the goods and services necessary for the operations and management of certain Government agencies, and for other purposes.”

**Became**

**1998: S.314:** (“Federal Activities Inventory Reform Act of 1998”)

“To provide a process for identifying the functions of the Federal Government that are not inherently governmental functions, and for other purposes.”

**Public Law 105-270; 112 Stat. 2382; 31 U.S.C. 501**

# FAIR Act Requirements: Summary

**Section 2 :** Each agency produces an annual inventory of activities that in the judgment of the head of the executive agency are not inherently governmental functions. The inventory (termed **“FAIR Act Commercial Activities Inventory”**) is reviewed by OMB and then made available to the public. The agency head reviews the list and, if the agency decides to contract out, a competitive process with a fair cost comparison shall be used.

**Section 3:** An interested party (prospective private source or employee organization) can challenge/appeal certain agency judgments.

**Section 4:** Defines applicability. Excludes government corporations.

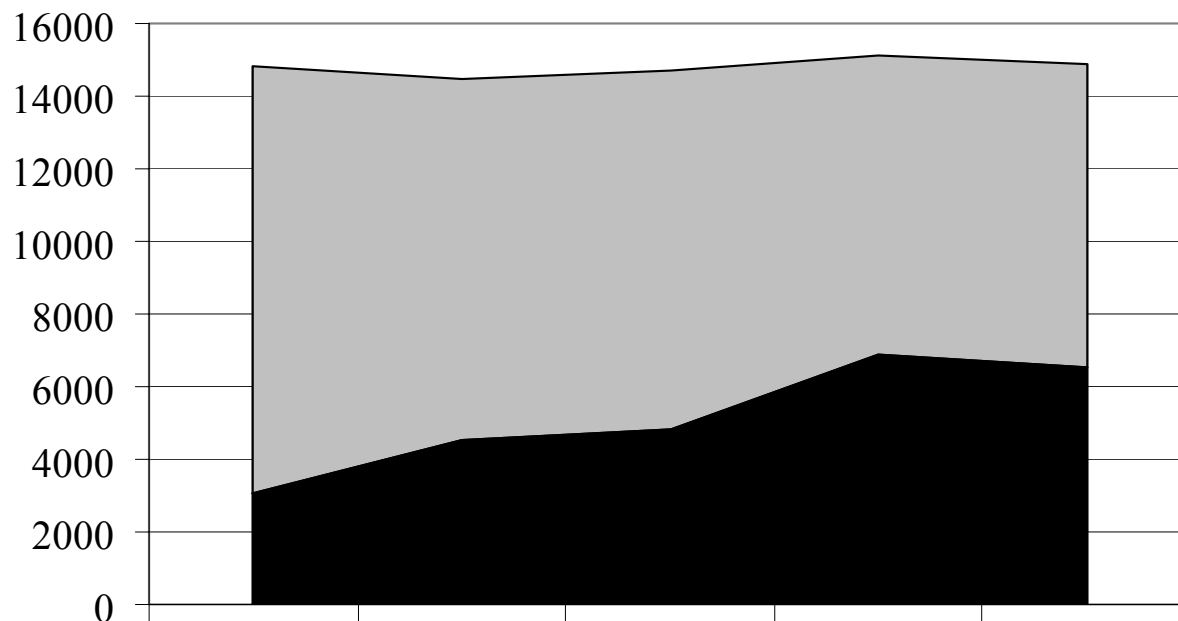
**Section 5:** Defines “inherently governmental.”

# Inventory Data Structure

FAIR Act Requirements	OMB Regulatory (A-76) Additions	DOE Additions
<p>Commercial Activities</p> <p>First FY appearing</p> <p>FTE's 'necessary'</p> <p>Contact name</p>	<p>Governmental activities</p> <p>Function Codes</p> <p>Reason Codes</p> <p>Funding sources</p> <p>Location</p> <p>Link to budget</p> <p>CSO documented judgments</p>	<p>GS series and Grade</p> <p>LPSO and org code</p> <p>Local documented judgments and LPSO certification</p>

# DOE FAIR Act Trends

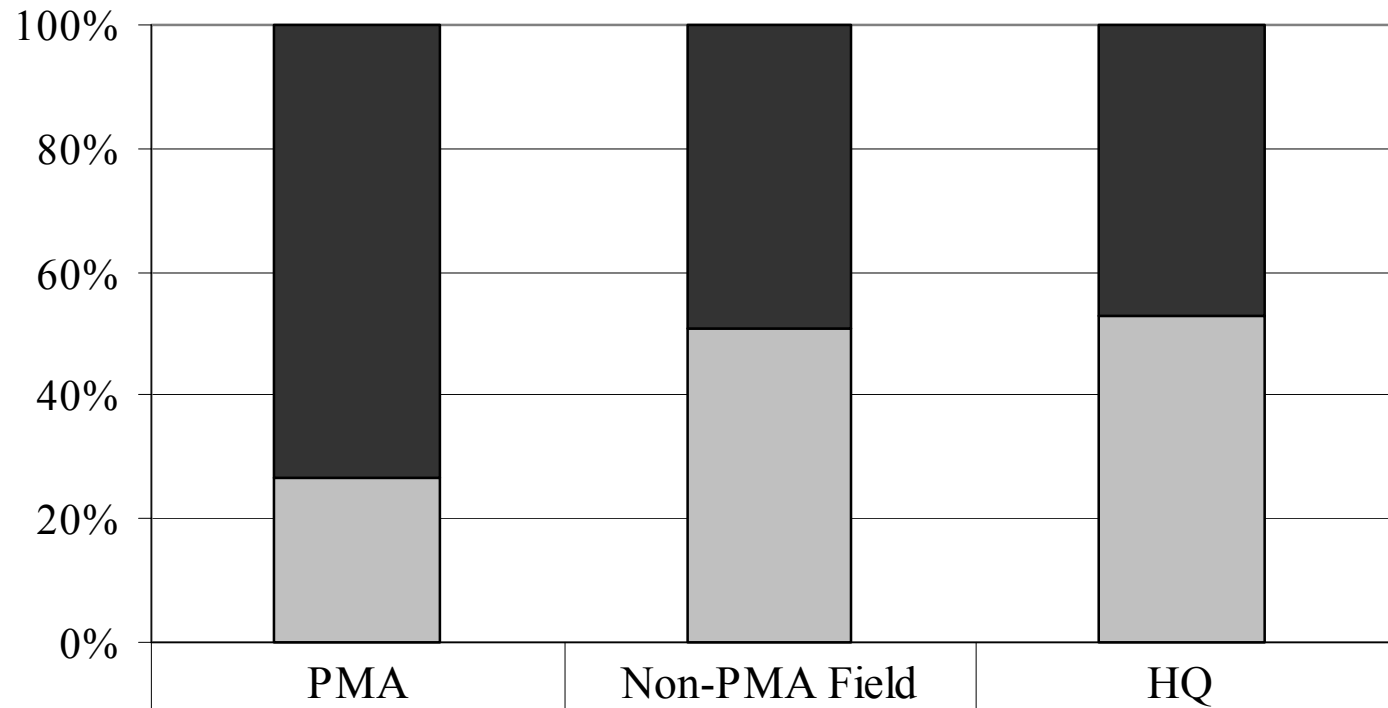
*Full Time Equivalents*



	1999	2000	2001	2002	2003
Commercial (includes Under Study)	11765	9941	9889	8229	8371
Gov't	3067	4508	4828	6863	6516

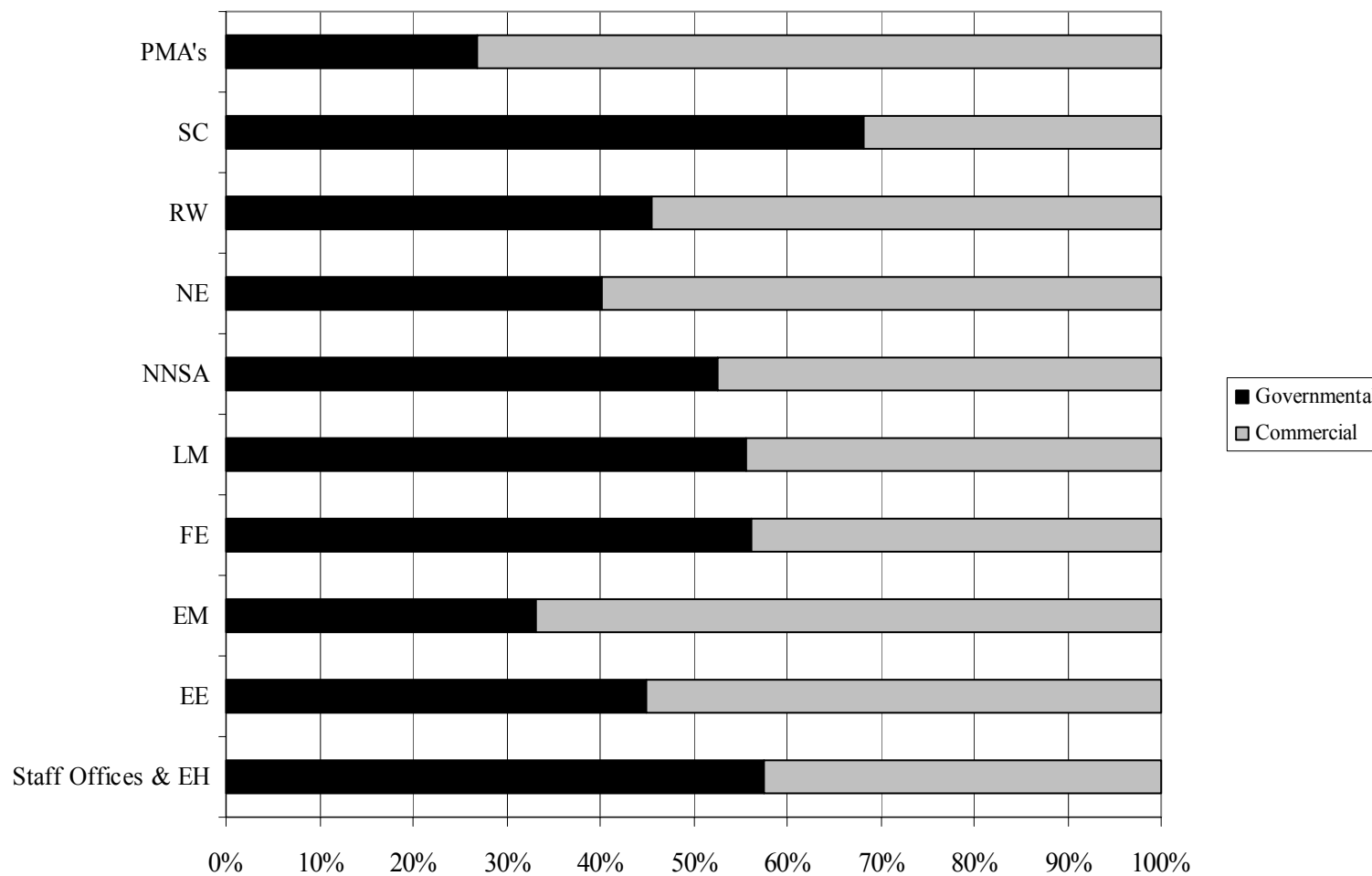
*Year of Inventory*

## Distribution of Reason Codes , 2003



■ Commercial	3455	2843	2073
■ Gov't	1265	2941	2310

2003 Reason Code Distribution by Organization (Percent)



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# DOE Inventory Reflects DOE Complexity

	Including PMA's	Without PMA's
Full-Time Equivalents	14887	10166
Entries	10480	7722
Organizations	55	51
Locations	140	72
Functions	328	295
Position Series	262	166

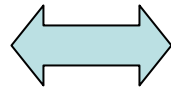
# HCMIP and FAIR Act

<b>HCMIP Category</b>	<b>Relation to FAIR Act</b>
<b>Workforce Planning and Deployment</b>	<b>Should we plan explicitly for future “inherently governmental needs?” Can/should we restructure to make even further use of contractors?</b>
<b>Leadership and Knowledge Management</b>	<b>How should we address <u>leadership</u> needs and succession planning in light of FAIR Act categories? Should knowledge management efforts focus on governmental, rather than technical, matters?</b>
<b>Talent</b>	<b>What are the skills requirements associated with inherently governmental positions, and are there special recruiting strategies that are needed?</b>

# Succession Planning and FAIR Act

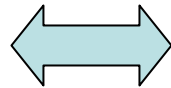
In most major DOE Organizations:

Higher grades



Higher retirement eligibility

Higher grades

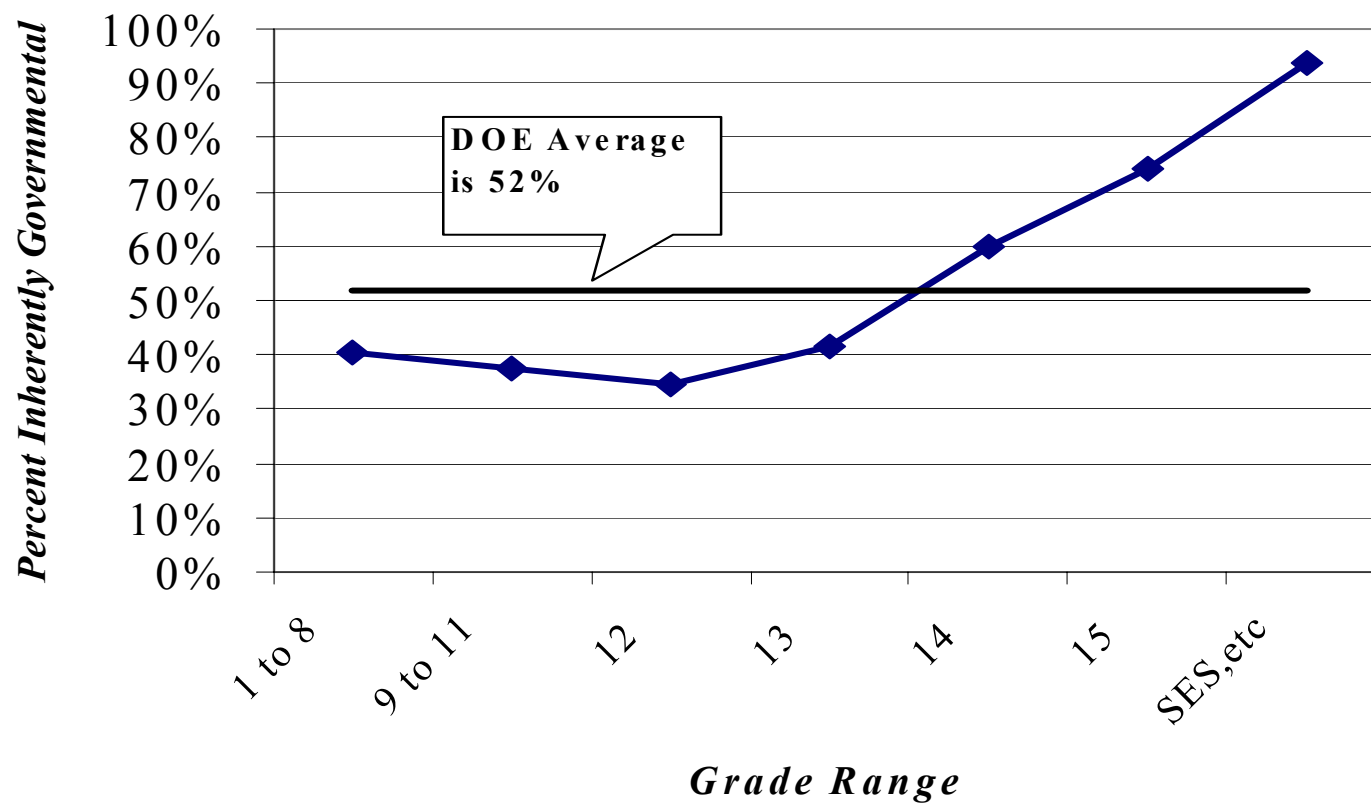


More likely inherently  
governmental

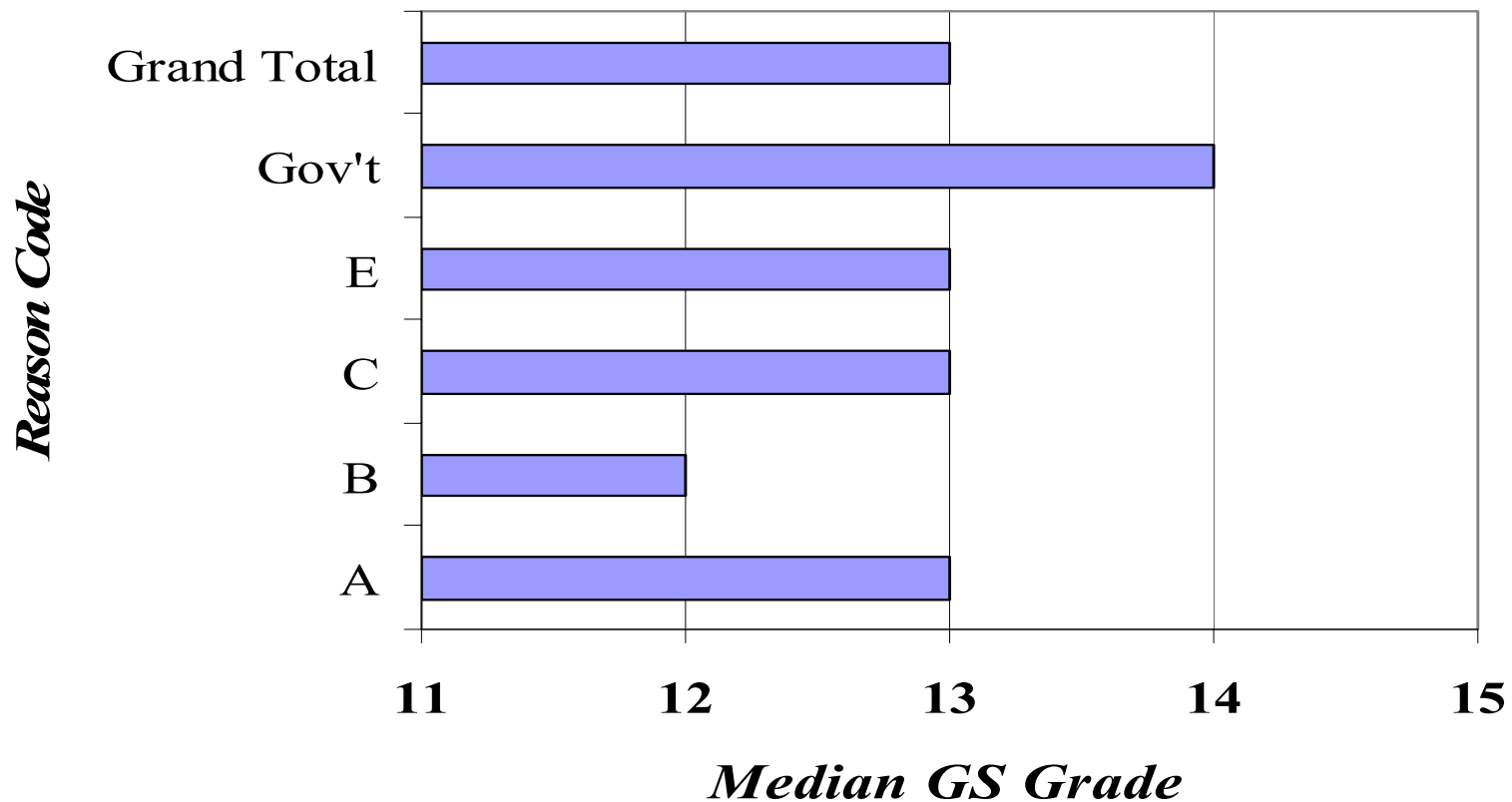
Implied : Retirement eligibility risks (to DOE) are higher among  
inherently governmental positions.

Issue: How should these relationships be considered in succession planning?

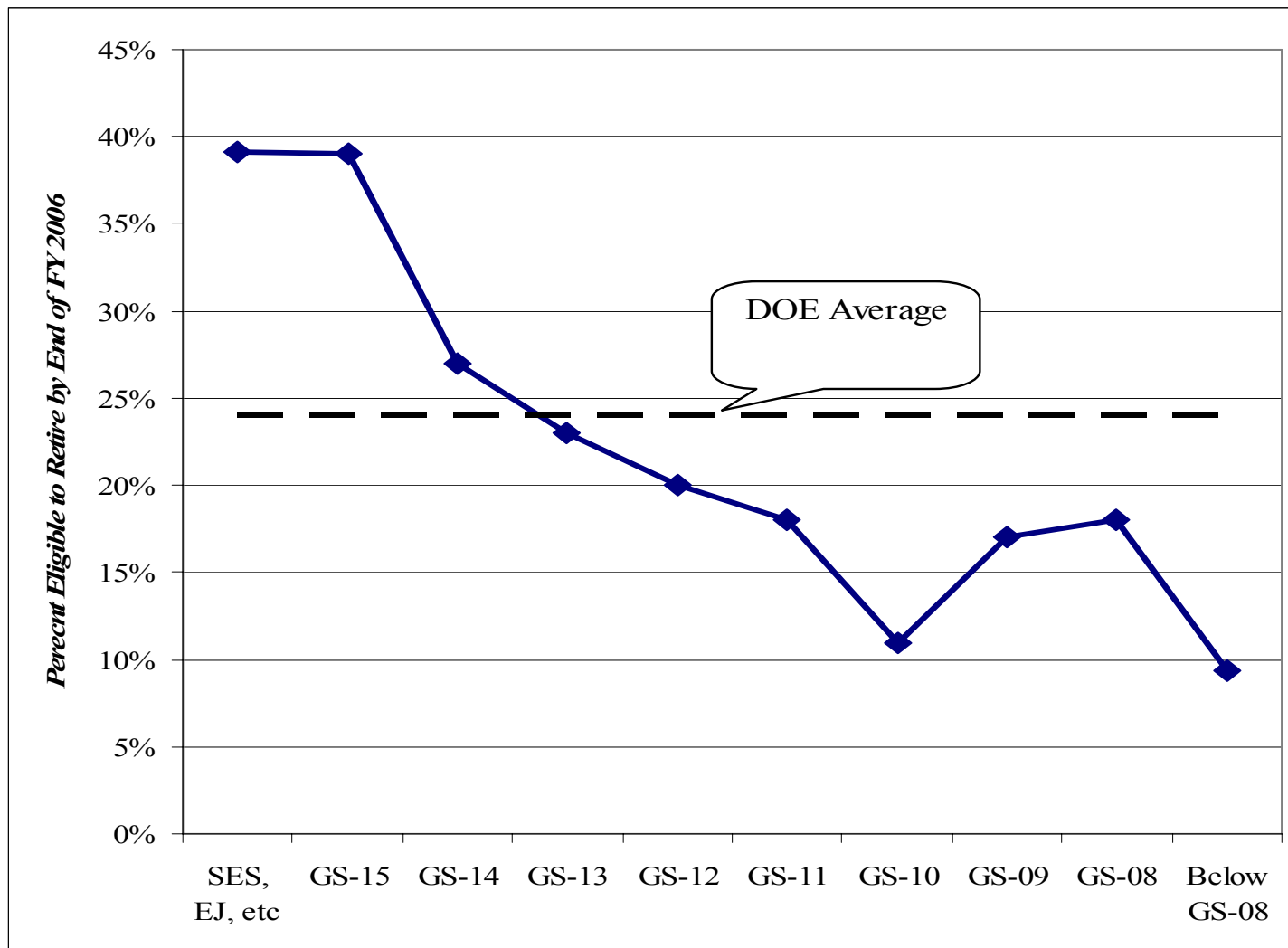
## 2003 FAIR Inventory (w/o PM A): Reason Code and Grade Relationships



## Median Grade/Reason Code Relationships (2003 Inventory w/o PMA's)



# Retirement Eligibility and Grade Relationship

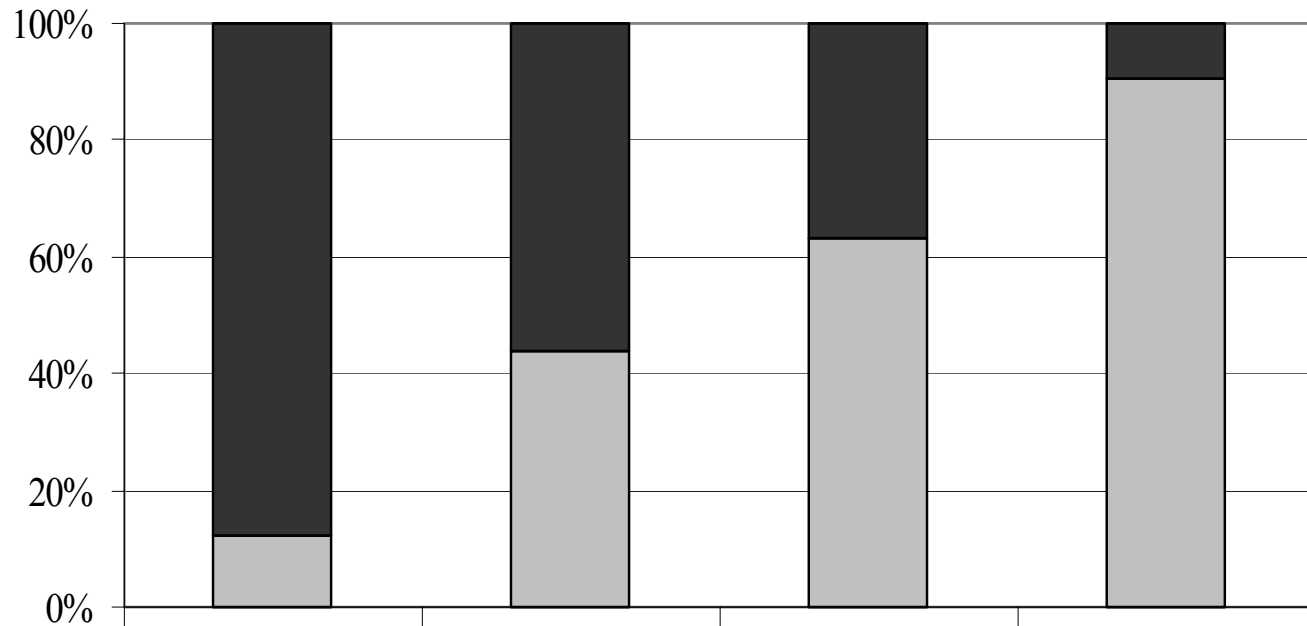


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# Interagency Comparisons

## DOE, EPA, and NASA FAIR Category Comparisons

Percentage Distribution, 2003 FAIR



	COE-Civil Works	DOE Total	NASA Total	EPA
Commercial	23035	8370	6978	1697
Gov't	3274	6516	12072	16011

# FAIR Act Data Limitations

- The FAIR Act inventory has a mix of types of data, including both objective and interpretive information. It is important in using the data to recognize that the patterns may be driven more by the attitudes of the managers approving the inventories than by the underlying reality.
- Since FAIR Act data are for activities, expressed as FTE, any demographic analysis is of necessity between groups, rather than individuals.
- FAIR Act data for other agencies may not be in spreadsheet form and may require further work to permit usable comparisons.



# FAIR Act Resources

## **DOE FAIR Act Site:**

<http://ma.mbe.doe.gov/a-76/fairact.htm>

## **OMB FAIR Act Site:**

<http://www.whitehouse.gov/omb/procurement/fair-index.html>

## **OPM Fed Scope Site**

<http://www.fedscope.opm.gov/index.asp>

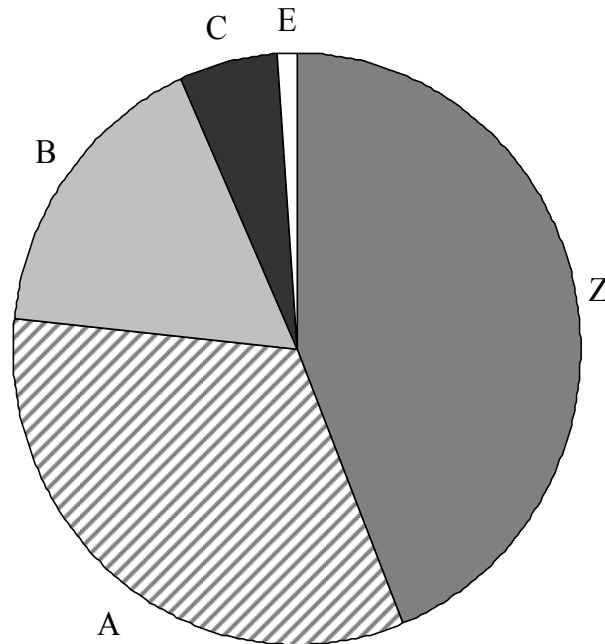
# Inventory Features

- **Governmental plus commercial:** OMB has administratively expanded the legislative requirement to cover all employment of the affected agencies, notably those performing inherently governmental functions.
- **Activity focus:** The Act calls for a list of *activities*, and then the associated FTE's. The “function code” approach is intended to be a non-technical description of actual work that might be more understandable to potential suppliers than GS position series codes. DOE collects the position series codes along with function codes but does not publish.
- **Jobs, not Individuals:** Based on the activity/FTE focus, the inventory procedures do not discourage splitting the activities of an incumbent employee into multiple categories, to be more descriptive of their roles.
- **Location, location, location:** The FAIR Act itself does not require identifying the State, city, or SMSA of an activity, but the OMB rules require that identification. This permits small businesses to identify relevant opportunities and to make challenges to an inventory.
- **Format:** OMB collects data in MSEXcel, but agencies typically put PDF files on web sites for publication.

# DOE FAIR Act Process Experience

<b>Year</b>	<b>Date Published</b>	<b>Challenges/Appeals</b>
1999	October 1999	4/1
2000	February 2001	1/0
2001	September 2001	1/1
2002	February 2003	22/10
2003	January 2004	1/1

# 2003 DOE Inventory: Reason Code Distribution



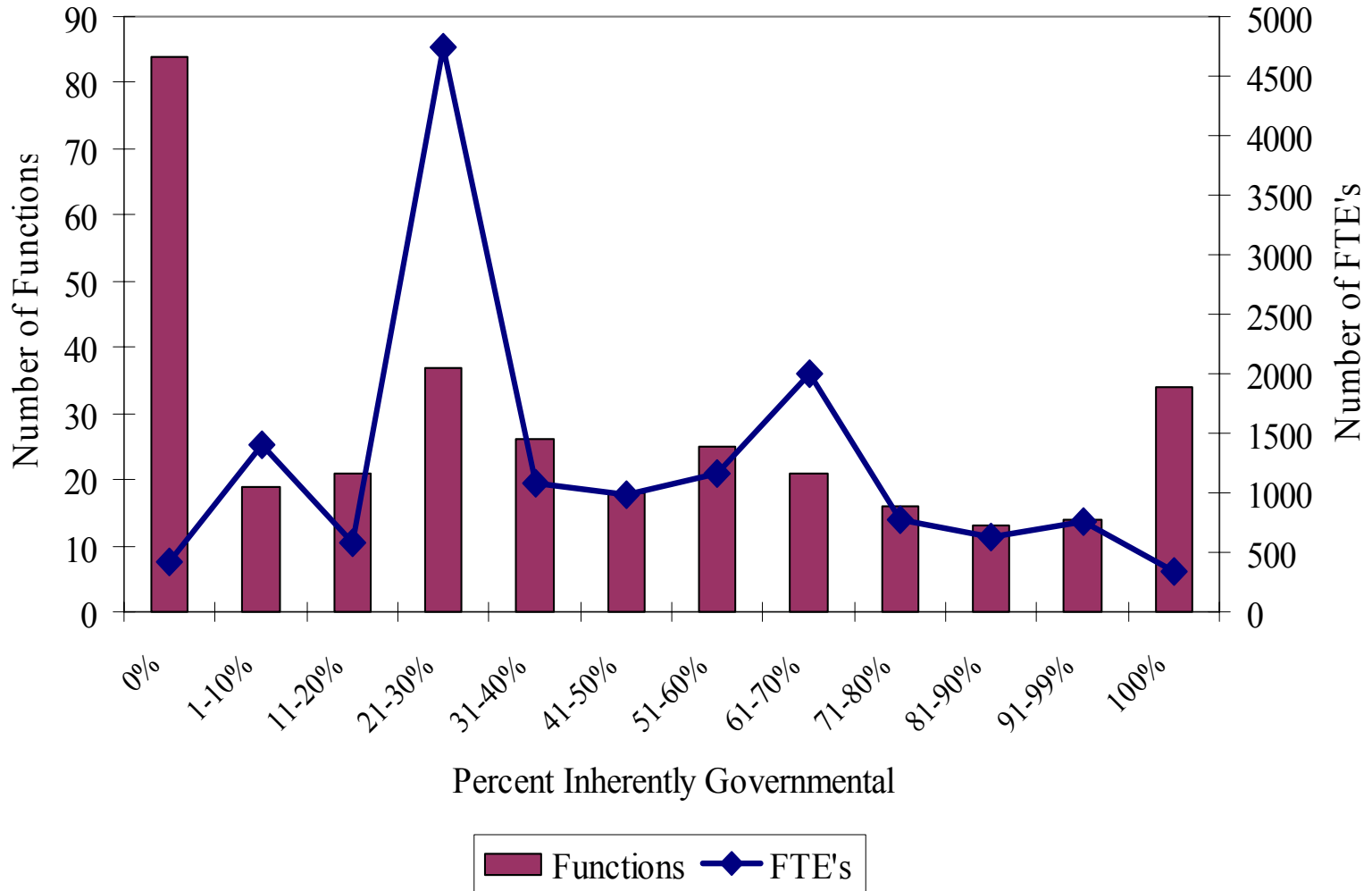
## Legend

- Z: Inherently Gov.
- A: Commercial activity not suitable for private performance
- B: Commercial activity **suitable** for competition
- C: Under study
- D: Previously studied
- E. Exempt for closure/realignment

# REASON CODES AND DEFINITIONS FOR COMMERCIAL ACTIVITIES INVENTORY

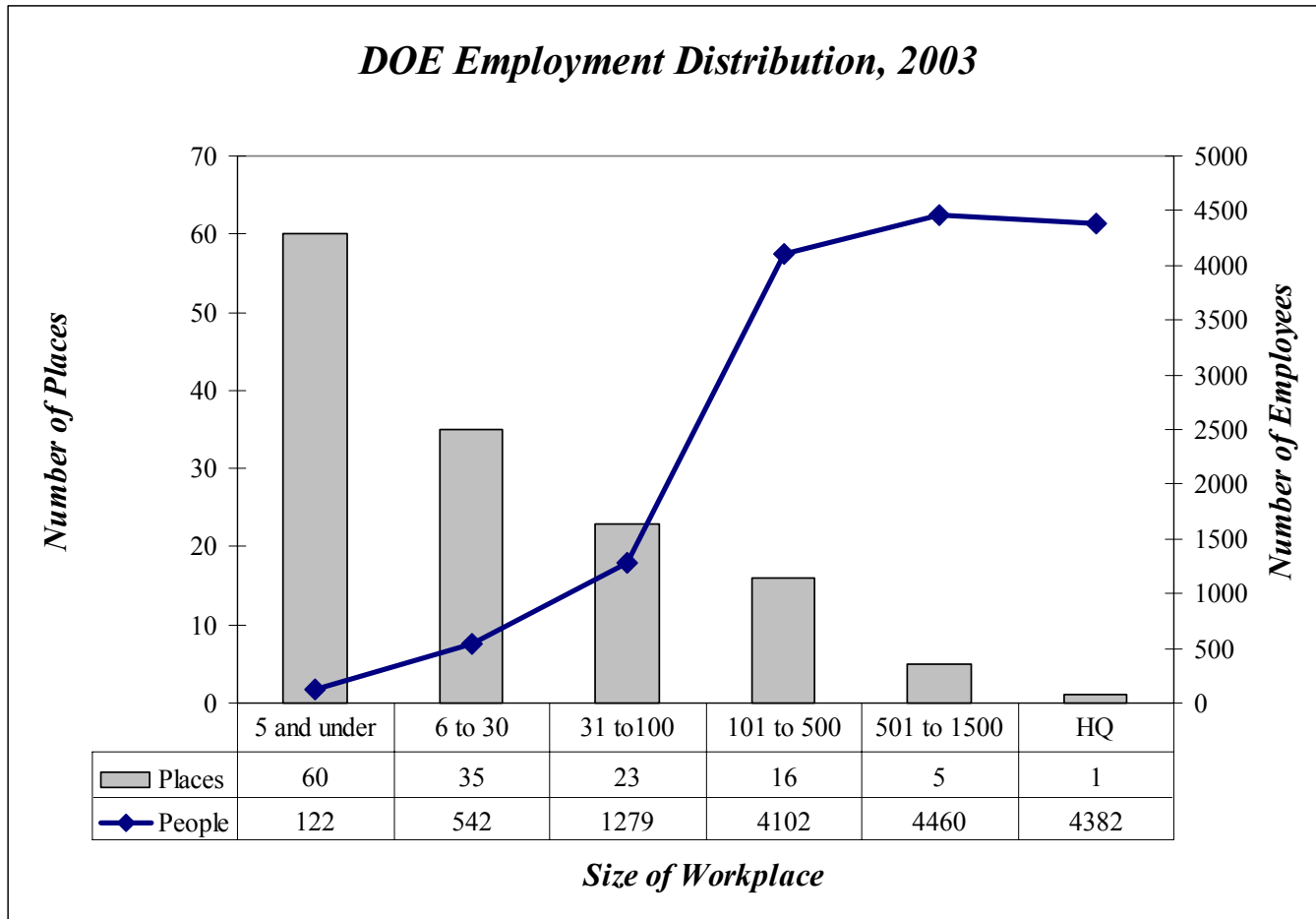
Reason Code	Definition
A	The commercial activity is not appropriate for private sector performance pursuant to a written determination by the CSO .
B	The commercial activity is suitable for a streamlined or standard competition. The commercial activity is the subject of an in-progress streamlined or standard competition.
C	The commercial activity is the subject of an in-progress streamlined or standard competition.
D	The commercial activity is performed by government personnel as the result of a standard or streamlined competition (or a cost comparison, streamlined cost comparison, or direct conversion) within the past five years.
E	The commercial activity is pending an agency approved restructuring decision (e.g., closure, realignment).
F	The commercial activity is performed by government personnel due to a statutory prohibition against private sector performance

# FAIR Act 2003: DOE Distribution of Reason Codes and Functions



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# DOE Geographical Dispersion



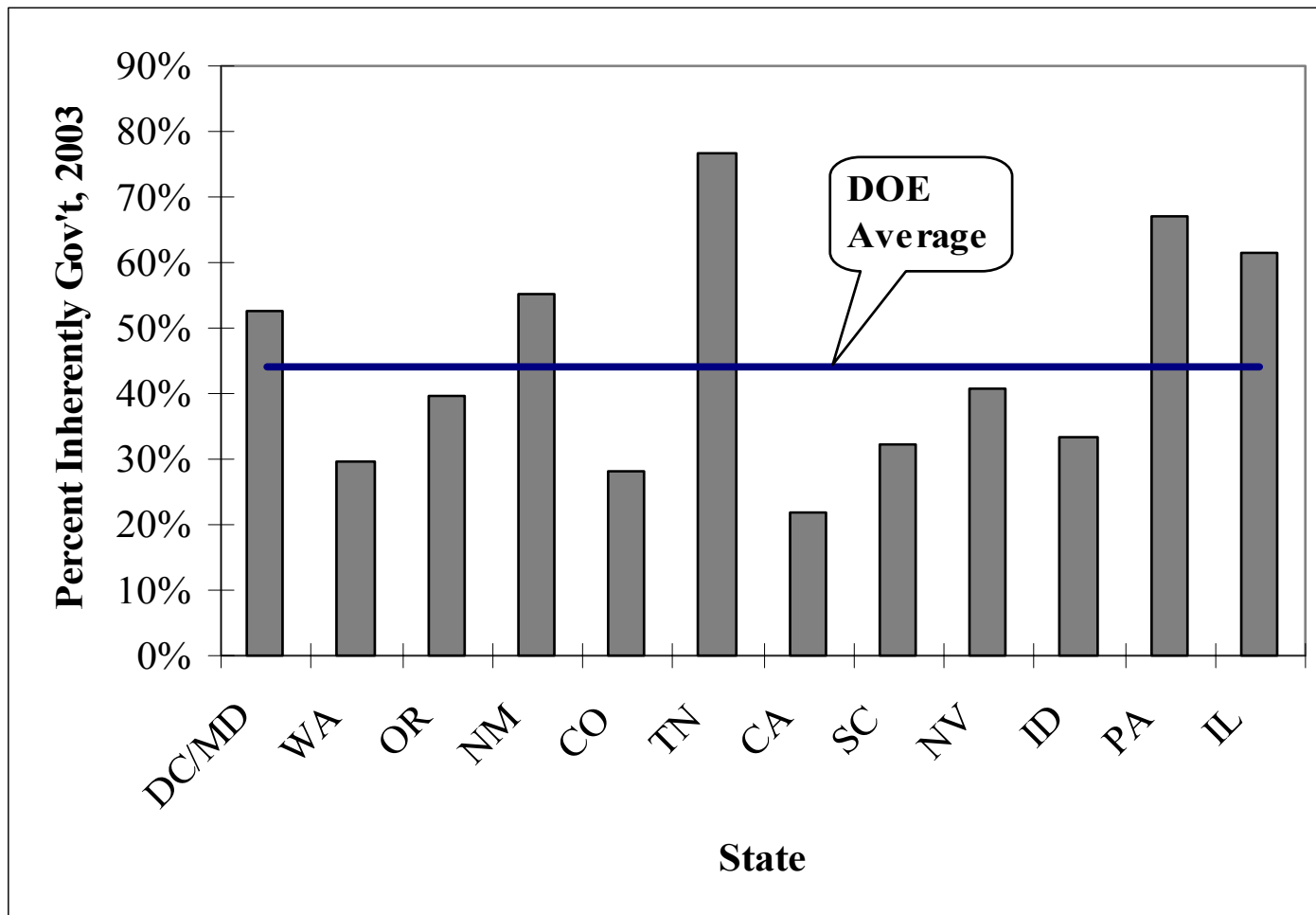
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# 2003 Inventory: Reason Codes by Organization

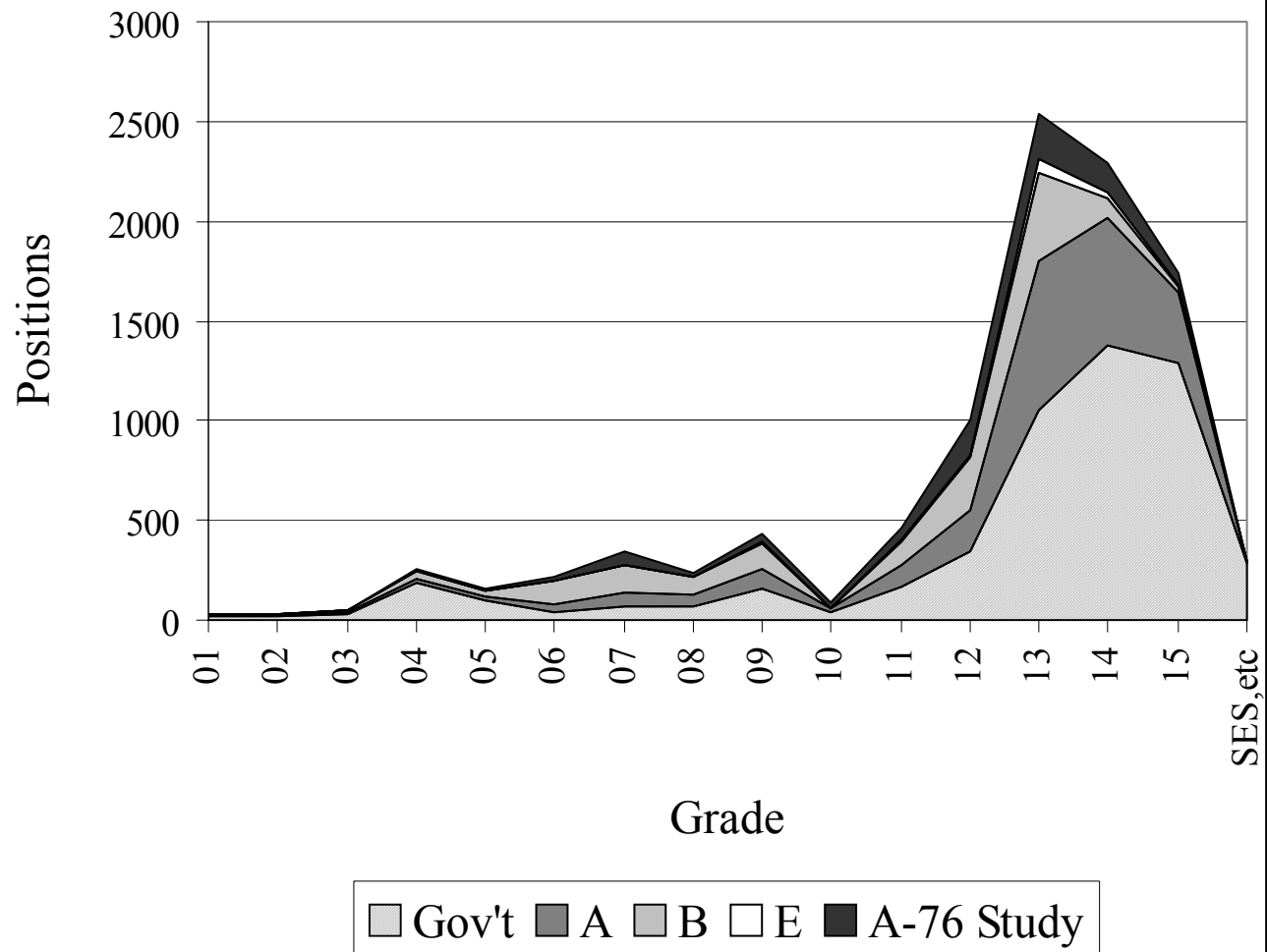
Organization	ReasonCode						Grand Total
	Z	A	B	C	E		
Staff Offices & EH	1563	592	164	400			2718
EE	244	160	129	10			543
EM	610	864	142	69	153		1838
FE	539	370	2	50			960
LM	10	8		0			18
NNSA	1330	71	938	187	0		2526
NE	97	118	10	17			242
RW	87	85	7	12			191
SC	770	148	99	113			1131
PMA's	1266	2479	976	0	0		4720
<b>Total</b>	<b>6516</b>	<b>4895</b>	<b>2466</b>	<b>857</b>	<b>153</b>	<b>0</b>	<b>14887</b>



# 2003 DOE Reason Code Profile by State

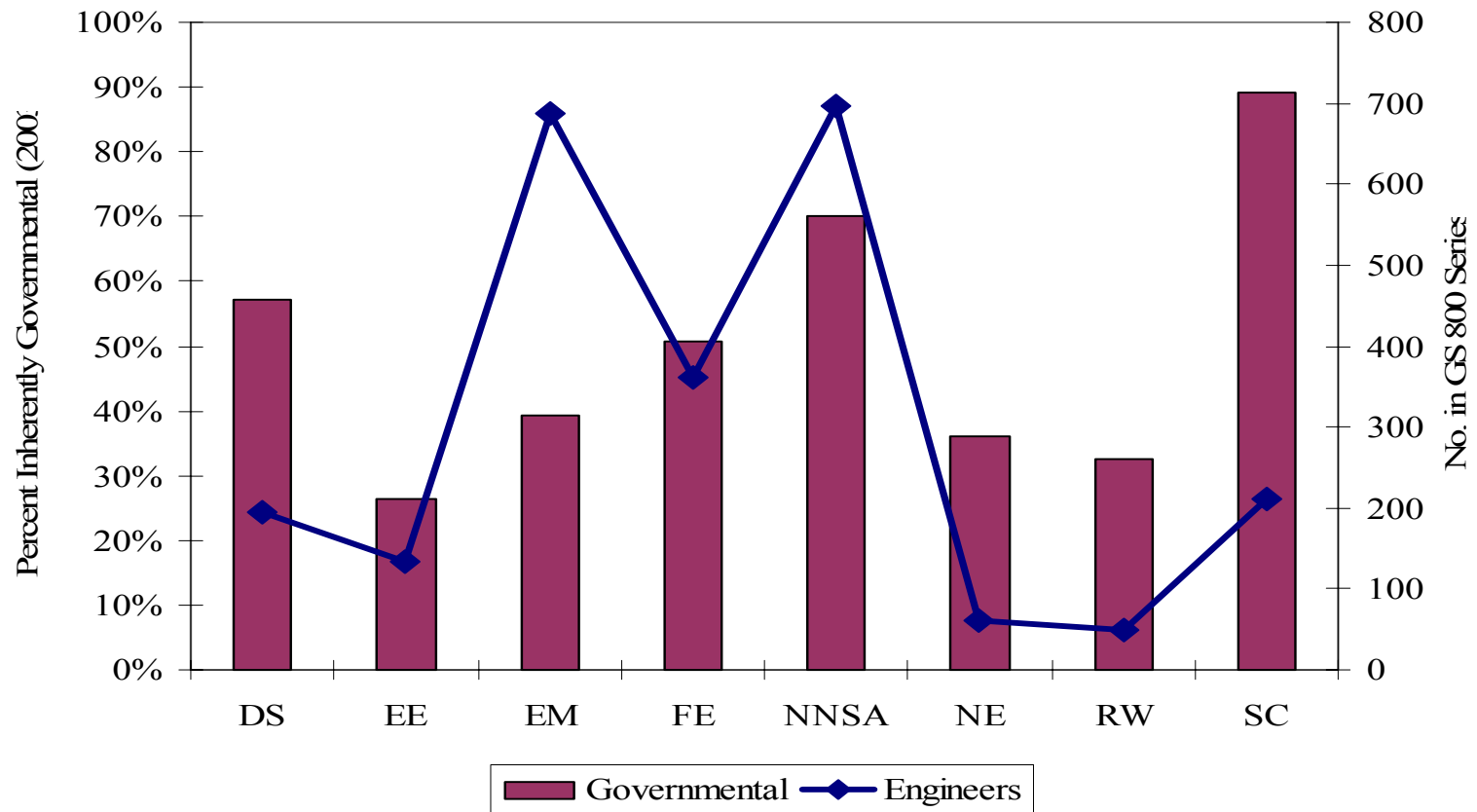


## DOE (less PMA) FAIR Act Inventory 2003

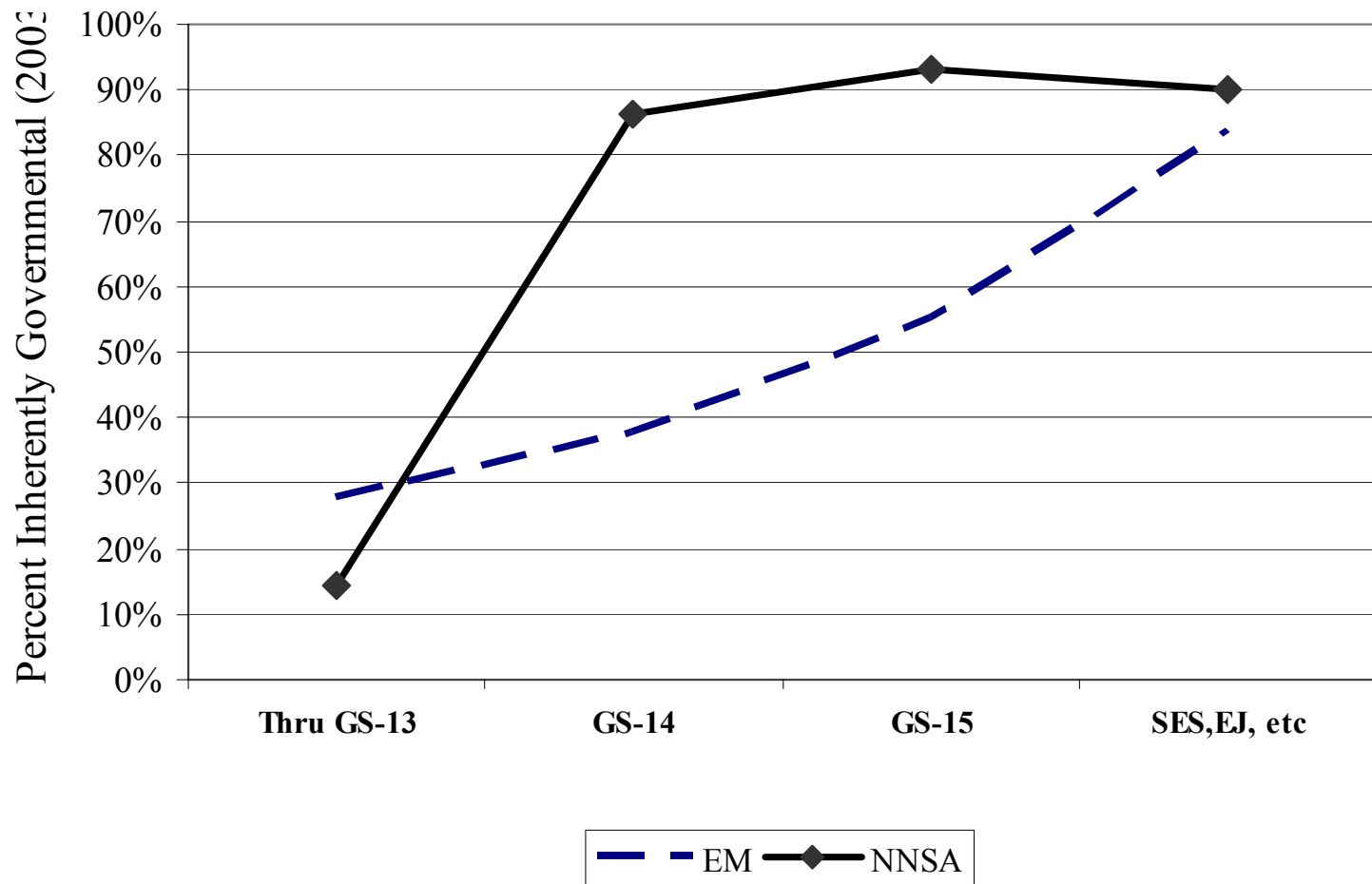


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## Engineers in DOE (Outside PMA's)

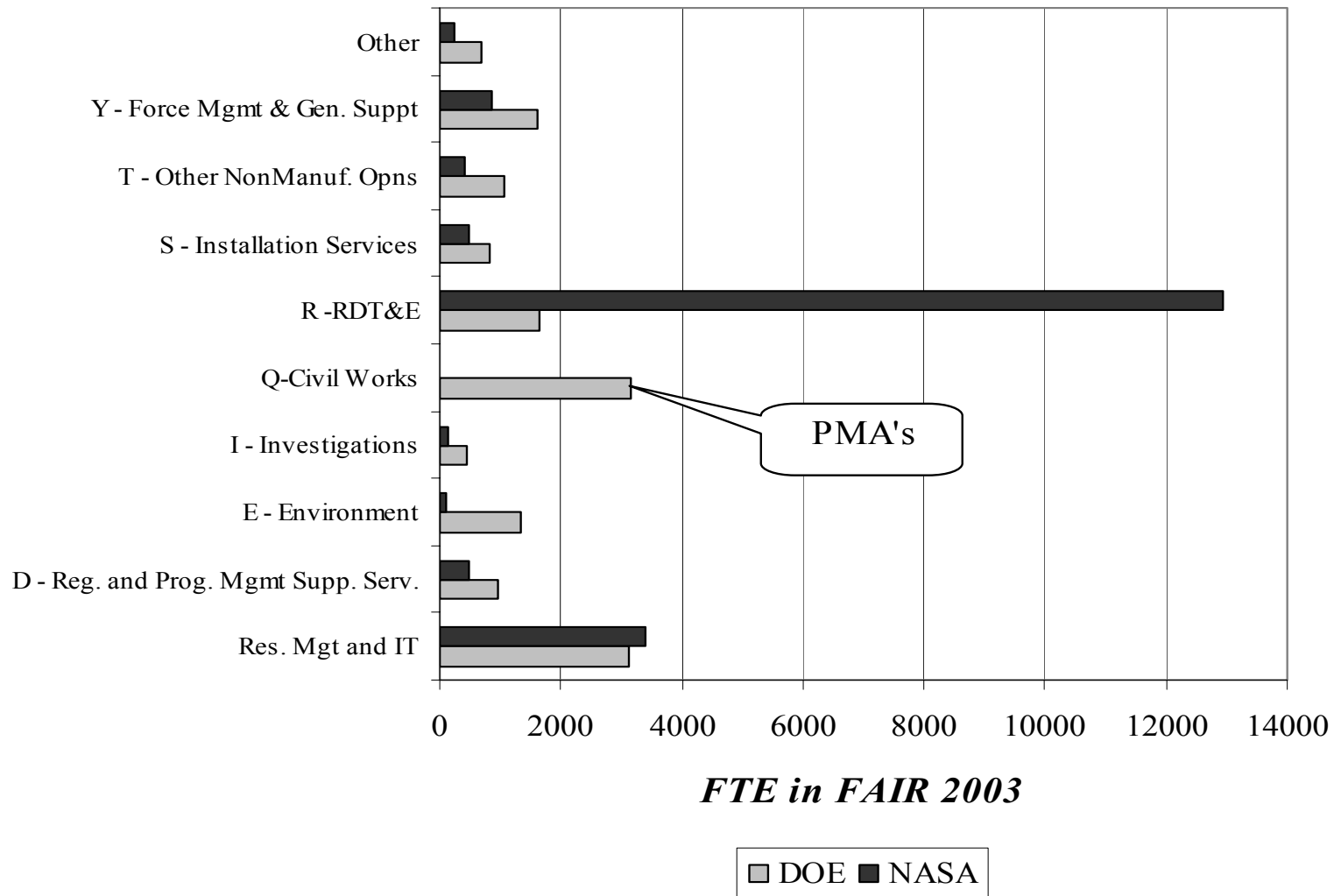


## EM/NNSA Engineering Comparison

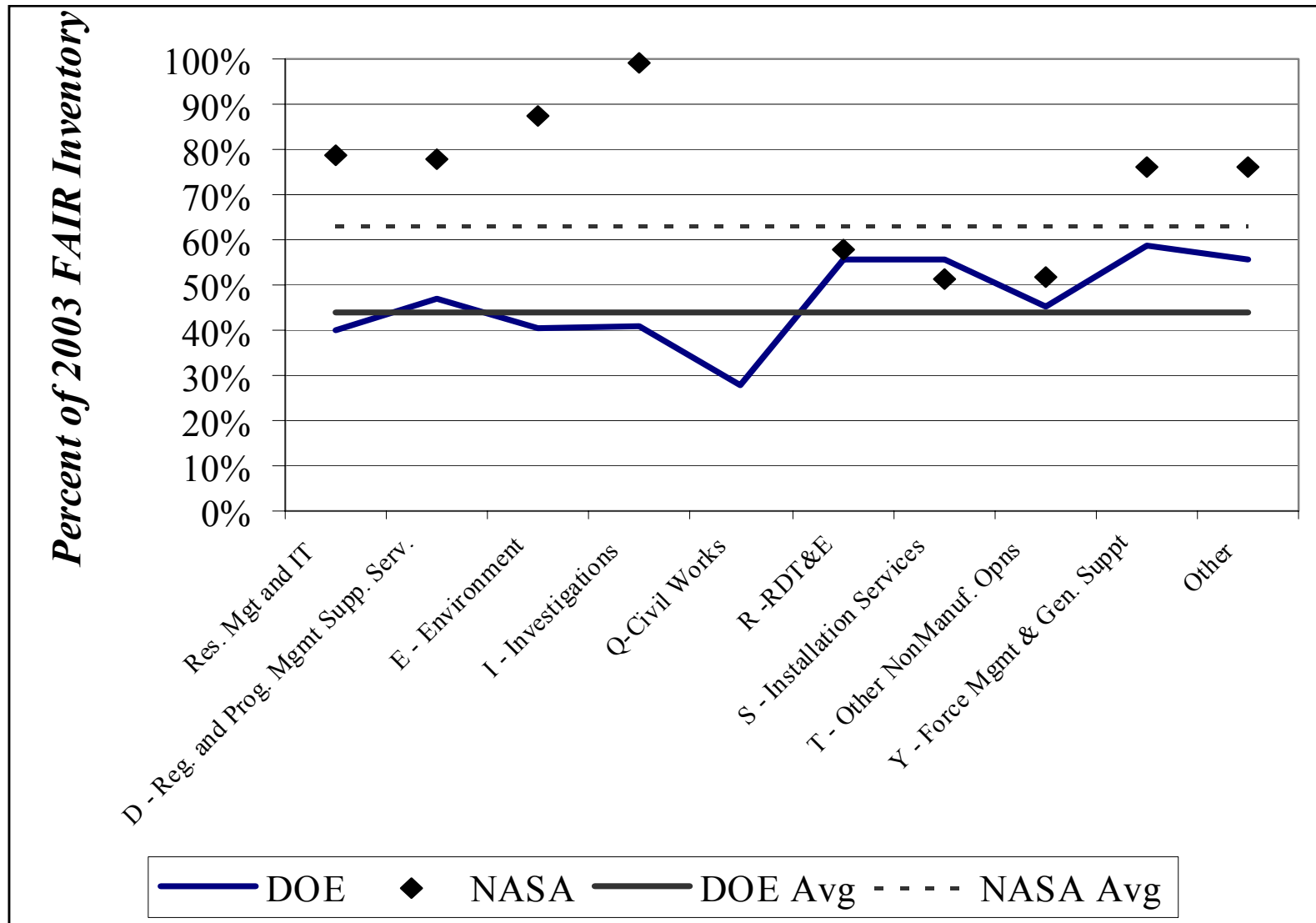


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## NASA and DOE Functional Comparison



# NASA/DOE Comparison (Cont.)



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